

APPENDIX E-060 P

SECOND MATERIEL RECEIPT FOLLOWUP DOCUMENTS

1. PURPOSE

This appendix is applicable to chapter 3 and describes the method for processing of the Second Materiel Receipt Followup Documents, DICs ZDX and ZDK on dues-in which have not been recorded as received within the established suspense period (55 days). This appendix also describes the manual action required to complete the materiel receipt action.

2. APPENDICES USED IN THIS PROCESS

a. Appendix B-20, Materiel Receipt Document (Procurement Instrument Source).

b. Appendix B-21, Materiel Receipt Document (Other than Procurement Instrument Source).

c. Appendix B-22, Materiel Adjustment Document (Single or Dual Adjustment).

d. Appendix B-26, Physical Inventory Request Document.

e. Appendix B-60, Second Materiel Receipt Followup Document.

f. Appendix B-104, Transaction History File Inquiry Document.

g. Appendix B-117, Due-In File Inquiry Document.

h. Appendix B-145, System Interrogation Document.

i. Appendix B-155, Requisition Control and Status File and Requisition History File Inquiry Documents.

j. Appendix B-190, National Stock Number (NSN) or Balance Freeze Document.

k. Appendix E-020 V, Materiel Receipt Document (Procurement Instrument Source) Violations and Materiel Receipt Document Followup Reply Violations.

l. Appendix E-021 V, Materiel Receipt Document Violations (Other than Procurement Source).

m. Appendix E-022 P, Materiel Adjustment Document.

n. Appendix E-026 P, Physical Inventory Request Document.

- o. Appendix E-117 P, Due-In File Inquiry Document.
- p. Appendix E-190 P, National Stock Number (NSN) or Balance Freeze Document.
- q. Appendix E-302 P, Inventory Adjustment Vouchers.
- r. Appendix E-398 P, Discrepancy Reports from Distribution Activities.
- s. Appendix F-13, Inventory Adjustment Voucher Listing.
- t. Appendix F-16, Physical Inventory Adjustment Voucher Listing.
- u. Appendix F-71-2, Interrogation Reply Active Contract File (Procurement Subsystem Manual 4715.1), format of which is contained in DLAM 4140.2, Volume II, Part 3, Appendix F-231.
- v. Appendix F-109, National Inventory Record (NIR) Printout.
- w. Appendix F-110, Transaction History File (THF) Printout.
- x. Appendix F-114, Requisition Control/Status Printout.
- y. Appendix F-151, Receipt Due-In and Inventory Adjustment Violations.
- z. Appendix F-184, Due-In File Printout Inquiry List.
- aa. Appendix F-294, Second Materiel Receipt Followup Document Listing.
- ab. Appendix F-297, Outstanding Second Materiel Receipt Followup Documents List.

3. RESPONSIBLE ORGANIZATIONAL ELEMENTS

- a. The ODS will be responsible for the preparation of the Second Materiel Receipt Followup (DIC ZDX/ZDK) Documents and Listings.
- b. The Inventory Accounting Branch (IAB) DSO is responsible for:
 - (1) Initiating followup action for Second Materiel Receipt Followup lines.
 - (2) Identifying fast pay items to ensure timely processing by both DSO and DP&P within 90 days of the posted ship date. Notification by DSO to DP&P of nonreceipt should be made not later than 60 days after shipment.
 - (3) Controlling and monitoring all Second Materiel Receipt Followup lines until all applicable actions are completed.

c. The Office of Comptroller is responsible for:

(1) Timely processing of requests from DSO for research of contractor shipment information for CLINs for which payment has been made. Requests for information for fast pay items, regardless of whether funds have been expended or not, will not be routed to the Office of Comptroller.

(2) Returning Second Materiel Receipt Followup Documents to DSO indicating the date of shipment, GBL, and the carrier name or brief explanation as to why the requested information is not available.

d. The DP&P is responsible for:

(1) Timely processing of requests from DSO for research and initiating followup action to contractors, as required.

(2) Ensuring computer records are updated when the delinquent CLIN(s) are attributed to an unprocessed modification for diversion or cancellation, or when posted contract ship data are in error.

(3) Ensuring that the contractor is notified of nonreceipt of materiel within 90 days of acceptance (title vested with the Government) when the fast pay procedures apply or when the shipment is based on the contractor's Certificate of Conformance (CoC).

(4) Returning Second Materiel Receipt Followup Documents to DSO indicating that requested action was accomplished.

e. The DS/T, distribution depots, and SSDs are responsible for:

(1) Processing requests from DSO within the date annotated on the IOM/TWX.

(2) Initiating tracer action where materiel is indicated as paid and shipped by traceable means.

(3) Providing data as requested or sufficient information for adjustment of supply records.

4. BACKGROUND

a. Procurement Receipts:

Upon receipt of a notice of shipment (mechanical or manual) from the contractor or the Contract Administrative Office (CAO), a Contract Ship Notice (DIC YPM) will be established in the Procurement Subsystem. The Contract Ship Notice provides the date from which the first and second followup dates are established in the Due-In File (DIF).

b. Receipts from Redistribution:

The confirmation (DIC ARO) as a result of a Redistribution Order (DIC A2_) screens against the DIF and establishes first and second materiel receipt followup dates which are based on the ship date in the confirmation.

c. The DIF will be mechanically reviewed on a weekly basis to produce the first and second followup documents for procurement and redistribution receipts. The first followup actions are generated and forwarded to applicable depots for processing 45 days from posted ship date. The second followup actions are generated and forwarded to DSO for processing 10 days subsequent to the 45 days followup date. The first followup will be suppressed if the followup matches an open receipt violation by NSN, PIIN, and CLIN. The second followup will be separately identified if the followup matches an open receipt violation (by NSN).

5. PROCEDURES

a. Procurement Receipts:

(1) When a notice of shipment (DIC YPM) finds a match in the DIF and the established time period (55 days) for initiating a second followup transaction has elapsed, the computer will generate a second followup transaction (DIC ZDX) in the format outlined in appendix B-60. The Second Materiel Receipt Followup Transactions and Listings will be forwarded to the IAB. See notes.

NOTE 1: In processing Second Materiel Receipt Followup Transactions, DSO may manually obtain necessary file printouts. A three month Transaction History File (THF) printout for each NSN and an Active Contract File (ACF) printout for each individual contract will be automatically output for each Second Materiel Receipt Followup Transaction output.

NOTE 2: Fast Pay Items. Review of the ACF printout will readily identify whether the item is being purchased under the fast pay procedures or not. Under the heading F/P on the ACF printout, the code Y, U, or Z indicates fast pay. On the ZDX transaction itself, fast pay item, can be identified by the expenditure codes Y, U, or Z and nonexpenditure codes G, Q or H in pos. 76. Actions involving fast pay items should be expeditiously handled.

(2) When Second Materiel Receipt Transactions are generated on CLINs with incremental delivery indicator Y, quantities are summed across all incremental CLINs matching on the first five positions of the CLIN. The quantity in pos. 25-29 represents the sum of all matching shipped quantities minus the sum of all matching received quantities. The CLIN will reflect an A in pos. 50 (Summary CLIN) and the EDD, pos. 73-75, will be the latest EDD among all matching incremental CLINs.

(3) Second Materiel Receipt Followup Transactions matching open receipt violations (by NSN) will be separately identified on the F-294G. Processing personnel will determine whether the violated receipt accounts for the followup transaction. If so, discontinue processing the followup and process the violation IAW E-020 V.

(4) For Second Materiel Receipt Transactions remaining, IAB will:

(a) Screen against outstanding Discrepancy Reports (DISREPs) to determine if the remaining quantity due was reported as a shortage in shipment. If a DISREP was submitted, process IAW appendix E-398 P. Ascertain if ZDX transactions citing management code R have a supporting discrepancy report. If the report cites an intransit condition, no further action is required; when an intransit condition is not cited, the followup will be processed.

(b) Screen against a current DIF printout to determine if the quantity due was subsequently posted as received. If the quantity was subsequently posted as received no further action is required.

(c) Screen against a THF printout to determine if the quantity due was previously processed to the NIR as a DIC D8A adjustment action or a DIC D6 receipt action. If the quantity due was previously processed to the NIR as an adjustment action:

1. Prepare and process a balance freeze transaction, DIC ZJK IAW with appendix E-190 P and process to the NIR.

2. Obtain an NIR printout and verify that the freeze action has taken. Notify the IM of the freeze action. Prepare a DIC D4 receipt transaction for the due-in quantity IAW appendix B-20 and process to the DIF. Processing of receipt transactions against incremental delivery CLINs requires an A in pos. 50 (Summary CLIN).

3. Upon verification that a receipt was picked up, prepare a DIC D6 or D8 reversal, as applicable, IAW appendices B-21 and B-22 respectively, and process to the NIR.

4. Upon verification that the quantity was reversed, prepare a DIC ZJK transaction to lift the freeze code and process to the NIR.

(d) Screen F-294, Second Materiel Receipt Followup Transaction Listing. The depots have a listing of all their suspended receipts. Upon receipt of a DXA, the listing and documents are compared for a match. When a match is found, the DXC reply contains 997 in pos. 73-75, to indicate a receipt is in process. Part IV of the F-294 contains the receipt reported by the depots as a match to their Suspended Receipt List. The ZDX documents that are furnished with Part IV contain a four in first position of the date field (pos. 73) to indicate same. After processing as described in paragraphs (a), (b) and (c) above, these transactions will be used to contact the depot either by TWX or telephone to expedite processing of the receipts.

(5) For those Second Materiel Receipt Transactions Remaining, the IAB will:

(a) Forward all ZDX documents with an Expenditure Indicator Code of D, K, P, or N in pos. 76 to the Office of Comptroller by IOM, requesting GBL, mode of shipment, and carrier name. Establish 10 working days suspense and followup if requested information has not been received.

(b) Forward those ZDX transactions with an A, B, C, E, F, G, H, J, L, M, Q, R, S, U, Y, or Z in pos. 76 to DP&P by IOM requesting deletion of old shipment data and establishment of new shipment data or in lieu thereof, that GBL, mode of shipment, and carrier name be provided. Establish 10 working days suspense and followup if no reply is received.

NOTE: The entry of A, B, N, P, Y, Z, D, U, K, or L in pos. 76 of ZDX transactions is the FP/UA/COC Code extracted from the ACF and perpetuated on the ZDX transactions when expenditure data is recorded in the ACF. These codes are converted to C, J, F, E, G, H, M, Q, R, or S, respectively, when no expenditure is reflected in the ACF (see appendix B-60).

(6) Office of Comptroller will receive Second Materiel Receipt Followup Transactions with an N, D, P, or K in pos. 76 from DSO for research of shipment data as follows:

(a) Extract from pay invoices or like documents and annotate all pertinent available shipment information for the Second Materiel Receipt Followup lines on the IOM.

(b) Forward the annotated IOM to DSO, ATTN: IAB.

(7) Upon receipt of the annotated IOM from the Office of Comptroller, IAB will prepare and forward TWX to the Transportation Office of the distribution depot, requesting tracer action be initiated. In the event the materiel was moved on a GBL and the award is marked FOB origin (inspection and acceptance), the following statement will be added to the TWX: IF THE MATERIEL CANNOT BE LOCATED, REQUEST A DISCREPANCY REPORT (DISREP) BE PREPARED IAW DLAR 4500.15. Shipments by CBL must be referred to DP&P for tracer action. Establish two-week suspense and followup if no reply is received.

(8) Depending on the reply from the depot, determine if the materiel is located and follow through to ascertain posting of the DIC D4 receipt transaction. Care must be exercised that materiel was not picked up previously by adjustments to the inventory records (see subparagraph (3)(c)). If the materiel cannot be located and was shipped on a GBL (with acceptance at origin), the loss/shortage in the shipment will be resolved through processing of the DISREP IAW appendix E-398 P. If the materiel was shipped on a CBL (with acceptance at destination), the loss/shortage in shipment will be referred to DP&P by IOM requesting followup action to the vendor for verification of shipment and followup through action to locate the materiel. Establish 10 working days for followup action if no reply is received.

(9) DP&P will receive Second Materiel Receipt Followup Transactions from DSO for research. Subparagraphs (a) through (f) below outline actions which DP&P can take and are included in this procedure as information for DSO personnel.

(a) Upon receipt of the IOM, DP&P should determine from an ACF printout if the due-in quantity is still outstanding or if the due-in quantity has been posted as received. If a receipt has been posted, DP&P should indicate on the ACF printout that no further action is required.

(b) When review indicates the posted ship date in the ACF is in error, a reversal/change to the shipped date in the ACF should be made.

(c) When review indicates the CLIN(s) is erroneously reflected as delinquent, due to an unprocessed modification or a modification processed in error, the necessary Master Amendment Transaction, DIC YPE/YPF, should be processed.

(d) When review indicates the shipment date is confirmed and the ACF printout does not reflect any posted expenditure, DP&P should indicate on the ACF for the CLIN(s), the mode of shipment, GBL/CBL number, and carrier name. If the shipment was by Nontraceable means, e.g., parcel post, contact will be made with the contractor to request certification that the materiel was shipped and by what method. When it is determined that the materiel was shipped to a Government/commercial packaging facility for repackaging purpose, DP&P should initiate tracer action to the packaging facility. If the materiel is still in the packaging process, provide DSO this information for follow-on action.

(e) When review indicates the shipment date is confirmed and the ACF printout contains posted expenditure data and is a fast pay/CoC item, tracer action to the contractor should be initiated and followed through to locate the materiel. If the materiel is located, DP&P should indicate on the ACF printout the location of the materiel for follow-on action by DSO. If the materiel cannot be located and the award falls within the purview of the fast pay procedure for replacement of lost materiel by the contractor, or the materiel was shipped by insured parcel post, or the shipment was based on the contractor's CoC, then one of the following should be done. Request the contractor reship the materiel based on these conditions. When the contractor agrees to resupply the materiel, the shipment date in the ACF should be changed. The updated ACF printout for the CLIN(s) should indicate the posted revised shipment date and that the contractor agreed to resupply the lost shipment. If the materiel cannot be located and the contractor will not agree to resupply the materiel, DP&P should indicate on the ACF printout for the CLIN(s) that the materiel cannot be located, and the materiel will not be resupplied. DP&P will also request return payment from the contractor and process removal of the shipment date from the ACF. The ACF record should remain open, pending final disposition of the contract. Also, indicate if the award was marked FOB origin (inspection and acceptance).

(f) Forward the updated ACF printout and related IOM to DSO, ATTN: IAB

(10) Upon receipt from DP&P of reply for the Second Materiel Receipt Followup lines forwarded, IAB will process as follows:

(a) When the reply pertains to removal of posted ship date from the ACF no further action is required based on the evidence that the posted ship data has been removed.

(b) When the reply pertains to resupply action by the contractor, no further action is required based on evidence of a revised posted ship date reflected in the ACF.

(c) When the reply pertains to verification of shipment or location and transshipment of the delinquent materiel, i.e., materiel shipped to an incorrect delivery point or materiel detained by a Government or commercial packaging facility, initiate and monitor followup action with the recipient depot by TWX as mentioned in subparagraph (7) above.

(d) When the reply pertains to processing of an outstanding modification against the delinquent Due-In record for change in delivery date, cancellation, or diversion to another destination, no further action is required based on evidence of posting the modification to the ACF.

(e) When the reply pertains to Procurement's inability to locate the lost shipment, and if applicable, the contractor will not resupply the materiel, prepare and process a Materiel Receipt Transaction, DIC D4_, in the format of appendix B-20 with Management Code K in pos. 72. Processing of Materiel Receipt Transactions against incremental delivery CLINs requires an A in pos. 50 (Summary CLIN). This action will close the DIF and ACF. Also, it will reduce the NIR by the amount of the input receipt quantity to offset the lost materiel. Request a special inventory IAW appendix E-026 P and DLAM 4140.2, Volume I, Part 1, Chapter 7, Paragraph 107115. Upon receipt of the Inventory Adjustment Voucher Listing, appendix F-13 and the Physical Inventory Adjustment Voucher Listing, appendix F-16, process IAW appendix E-302 P.

NOTE: Care should be exercised not to force close award lines when materiel is lost in shipment and the inspection and acceptance is origin. As mentioned subparagraph (8) above, lost shipments for these lines will be resolved through processing of the DISREP as prescribed in appendix E-398 P.

b. Receipts from Redistribution:

(1) When a confirmation (DIC ARO) finds a match in the DIF and established time period (40 days) for initiating a second followup transaction has elapsed, the computer will generate a Second Followup Transaction (DIC ZDK) in the format outlined in appendix B-60. The Second Materiel Receipt Followup Transactions will be forwarded to IAB.

(2) Second Materiel Receipt Followup Transactions matching open receipt violations (by NSN) will be separately identified on the F-294. Processing personnel will determine whether the violated receipt accounts for the followup transaction. If so, discontinue processing the followup and process the violation IAW E-021 V.

(3) For Second Materiel Receipt Followup Transactions remaining, the IAB will prepare and input the following file inquiry documents:

(a) Appendix B-104, THF Document (DIC ZQA).

(b) Appendix B-117, DIF Inquiry Document (DIC ZCJ).

(c) Appendix B-155, RCSP and RHF Inquiry Document (DIC ZCW).

(4) Upon receipt of the DIF printout, THF printout, and the ARCSF printout, the IAB will screen the THF and determine if the quantity due-in was previously processed to the NIR as an adjustment action. When it is determined that the quantity due-in was previously picked up in records as an adjustment action:

(a) Prepare and process balance freeze transaction, DIC ZJK IAW with appendix E-190 P and process to the NIR.

(b) Obtain an NIR Printout and verify the freeze action has taken. Notify the IM of the freeze action. Prepare a DIC D6K transaction for due-in quantity IAW appendix B-21 and process to the DIF.

(c) Upon verification that receipt was picked up, prepare a DIC D6_ or D8_ reversal, as applicable, IAW appendices B-21 and B-22 respectively, and process to the NIR.

(d) Upon verification that the quantity was reversed, prepare DIC ZJK transaction to lift the freeze code and process to the NIR.

(5) For Second Materiel Receipt Followup Transactions remaining, the IAB will screen against the ARCSF and obtain the GBL number and mode of shipment.

NOTE: If the ARCSF does not contain the necessary shipment data, contact the shipping activity and request the GBL number, mode of shipment, and the carrier name.

(6) When the necessary shipment data are known, prepare TWX to the Transportation Office of the distribution depot (consignee), requesting tracer action be initiated. Establish 10 days suspense and followup if no reply is received.

(7) Upon receipt of reply from the depot, determine if materiel is located and follow through to ascertain posting of the DIC D6K receipt transaction(s). Care must be exercised that materiel was not picked up previously by adjustment to the NIR.

(8) If materiel cannot be located by the depot within 180 days after shipped dated, prepare and process a DIC - DFK reversal in the format of appendix B-42 with Management Code K in pos. 72. This action will close the DIF and automatically process a D6K and simultaneously a D9A transaction to offset the lost materiel picked up in the NIR as a result of closing (DIC-D6K posting) the due-in record. Advise the IM that materiel could not be located and that a special inventory is being requested.

(9) Request a special inventory IAW appendix E-026 P and DLAM 4140.2, Volume I, Chapter 7, Paragraph 107115. Notify the Office of Comptroller and the IM, by IOM, that the materiel could not be located, a special inventory is in process, and the materiel was picked up and adjusted by DIC D6K receipt transaction and a DIC D9A adjustment transaction.

(10) Upon receipt of the Inventory Adjustment Vouchers (appendices F-13 and F-16), the IAB will process them IAW appendix E-302 P.

6. FLOWCHART

Flowchart not required.